

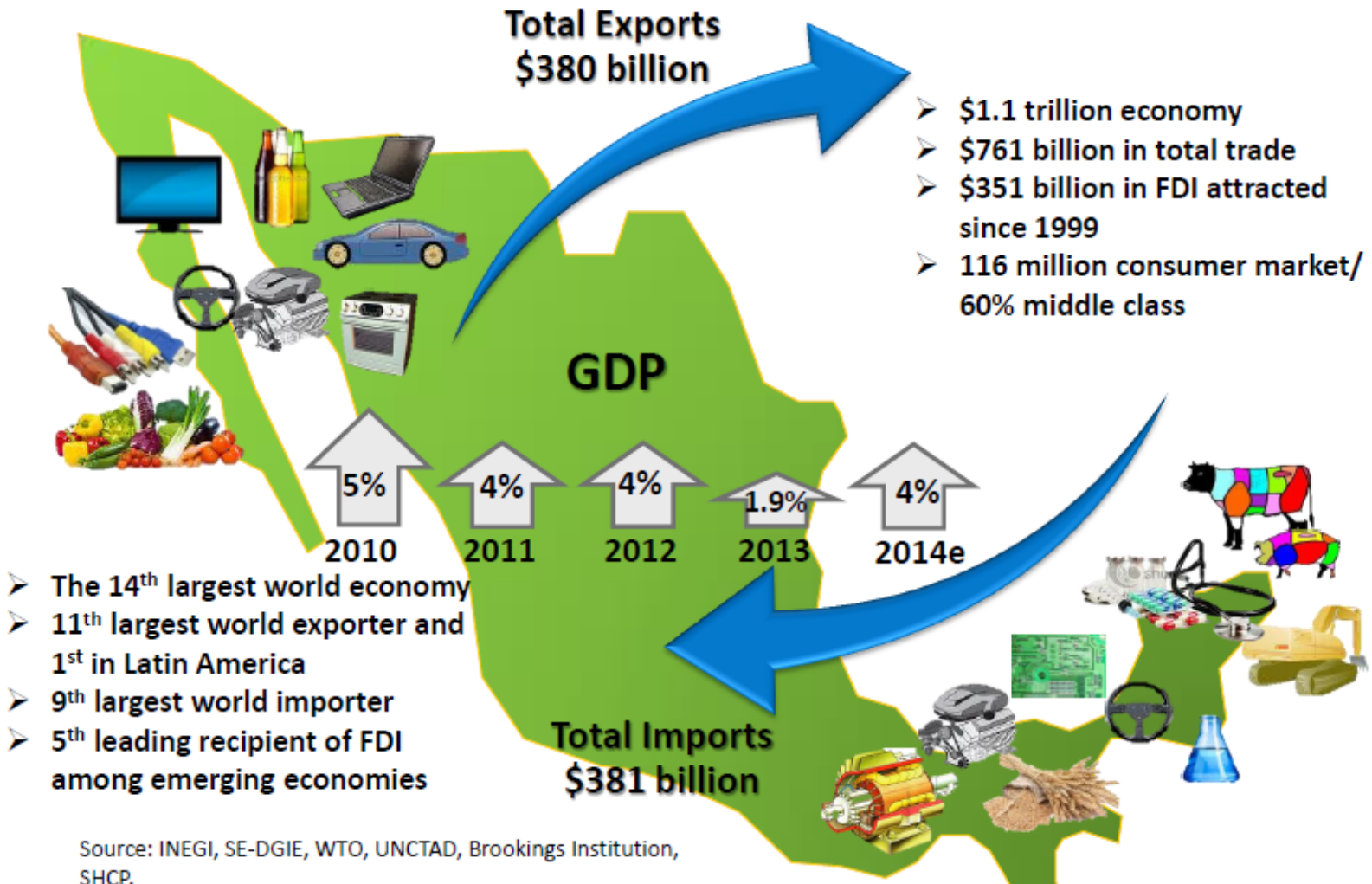


# MEXICO: MOVING FORWARD

1. Mexico in the world
2. U.S. – Mexico Trade
3. Arizona – Mexico
4. Mexico's Northern Border – Infrastructure and Development

## Mexico's position in the world:

- 14<sup>th</sup> in terms of territory (1, 973 sq km).
- 11<sup>th</sup> in terms of population size (120.8 million)
- 13<sup>th</sup> in terms of GDP (1,088 bn)
- 13<sup>th</sup> top trader of goods (1.8% of world)
- Mexico is ranked as the best country to establish a business in Latin America (35<sup>th</sup> in the world)
- Mexico City is the 5<sup>th</sup> largest city in terms of population (19.5 million)



Source: INEGI, SE-DGIE, WTO, UNCTAD, Brookings Institution, SHCP.

## WE ARE LEADERS IN KEY SECTORS

### AEROSPACE

- Mexico is the 6th supplier to the American aerospace industry.



### MEDICAL DEVICES

- We are the largest exporter in Latin America and main supplier to the US.



370 billions in exports  
50% medium and high tech  
manufactures



### AUTOMOTIVE AND AUTOPARTS

- 8<sup>th</sup> producer and 4<sup>th</sup> exporter globally of new light vehicles in the world.

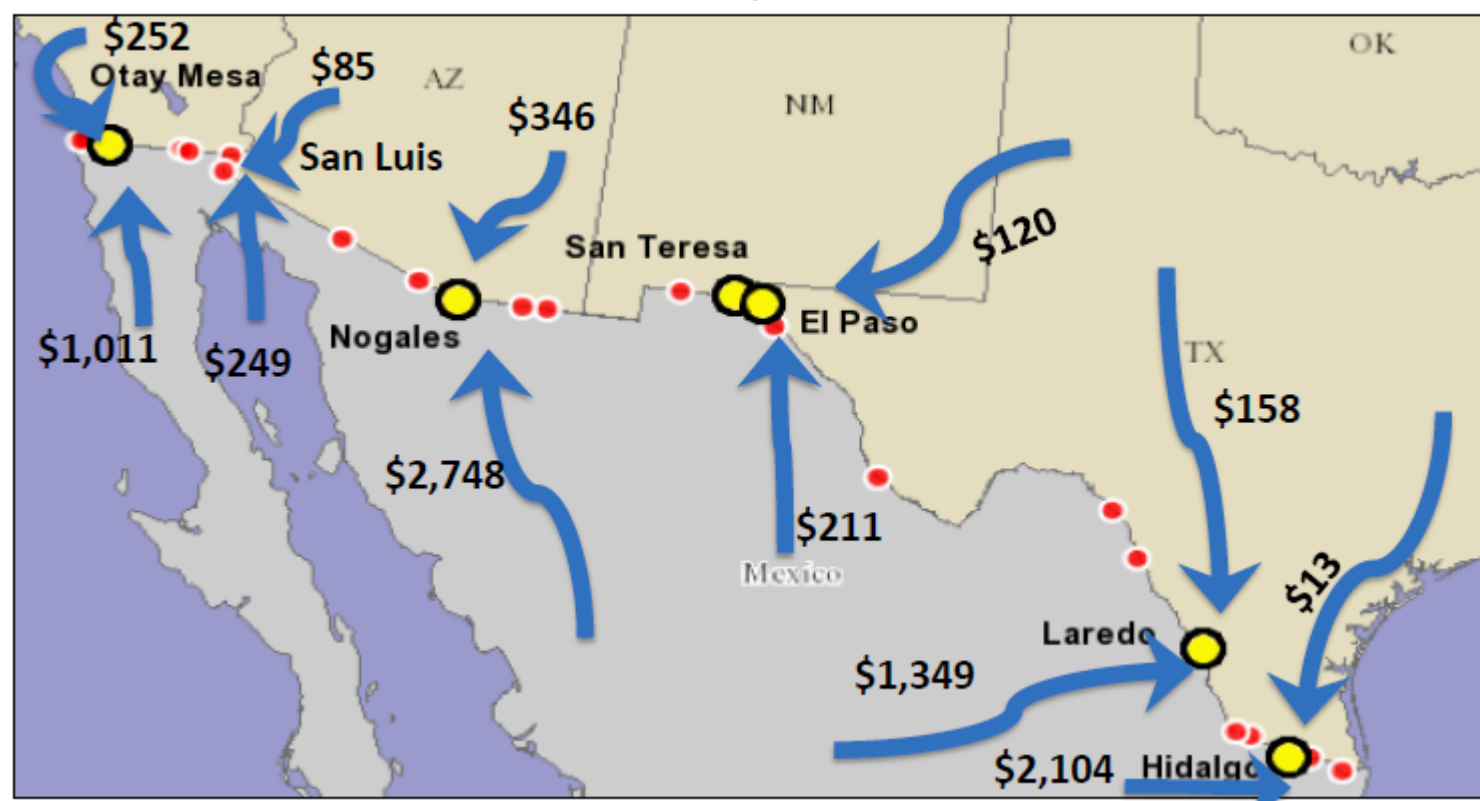


### ELECTRIC-ELECTRONIC

- Leading flat television screen exporter in the world.

In 2013, Mexico and the U.S. traded nearly \$10 billion in fresh produce, 98% carried by truck.

**U.S. – Mexico Fresh Produce Trade by Selected POEs**  
 Value in \$ million



Source: USDOT, BTS and Wisetrade. Fresh produce includes chapters 7 and 8 HS



- On February 2, 2012, President Enrique Peña Nieto and the three leading opposition parties signed the Pact for Mexico, whose aim is to promote growth and development.
- As part of this pact, 11 important reforms were approved by Mexico's Congress.



MAJOR REFORMS (2013)
Political
Energy
Financial
Fiscal
Educational
Telecommunications
Labor
Economic Competition
Criminal Procedure
Appeal Law
Transparency





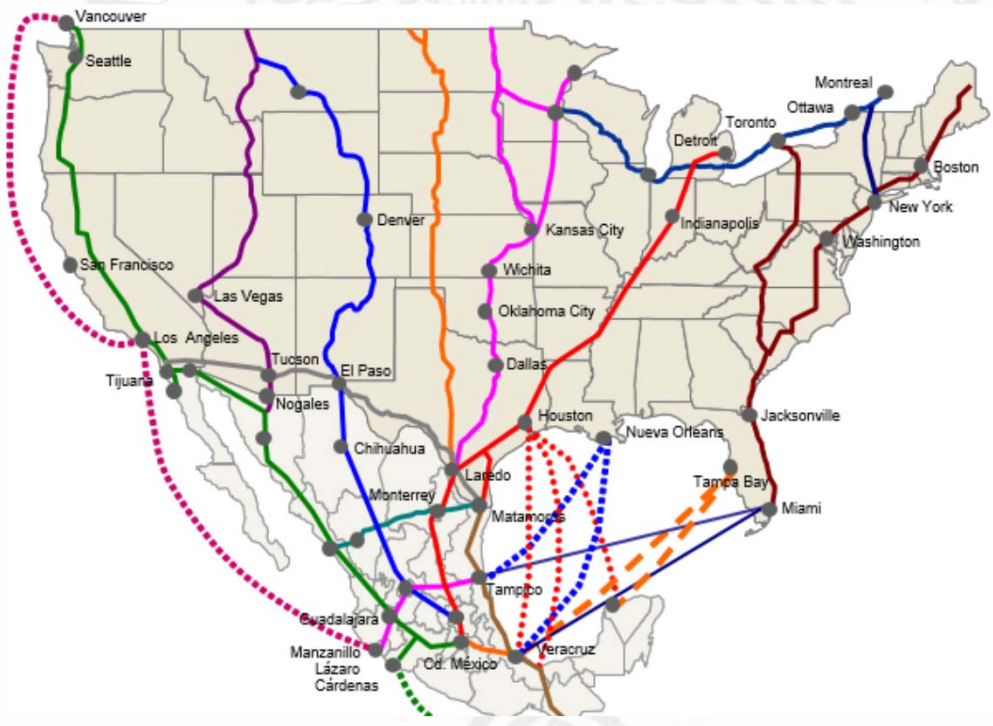
A strong partnership – U.S. – Mexico Trade

- The U.S. – Mexico relationship has a rich history and has become a highly institutionalized partnership in different areas, including: the economy, social interactions, academic mobility, political relationships, among many more.
- Trade, in particular, has been a key component if the region's economic development and will continue to play an important role in its competitiveness.

- Today, the United States trades with Mexico more than \$500 billion dollars in goods. In other words, more than one billion dollars per day.
- In addition:
  - Mexico already buys more product from the U.S. than any other nation, except Canada. This is more than Brazil, Japan, India and the U.K. combined.
  - There are 6 million U.S. jobs that depend on trade with Mexico.
  - U.S. investment in Mexico has grown nearly six-fold since NAFTA was put in place. Mexican companies have increased their FDI in the U.S. from \$1.2 billion in 1993 to \$12.6 billion in 2010.
  - A full 40% of the content in U.S. imports from Mexico is actually produced in the United States



- An important fact to consider is that 70% of total bilateral trade crosses through our land Ports of Entry.

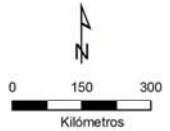


- The border, thus, is a key region, vital to trade growth and the economic development of both countries.
  - 25 U.S. counties and 39 Mexican municipalities share the 2,000 mile border
  - There are currently 56 Ports of Entry
  - The 10 border states = 4th largest economy
  - 14.6 million people

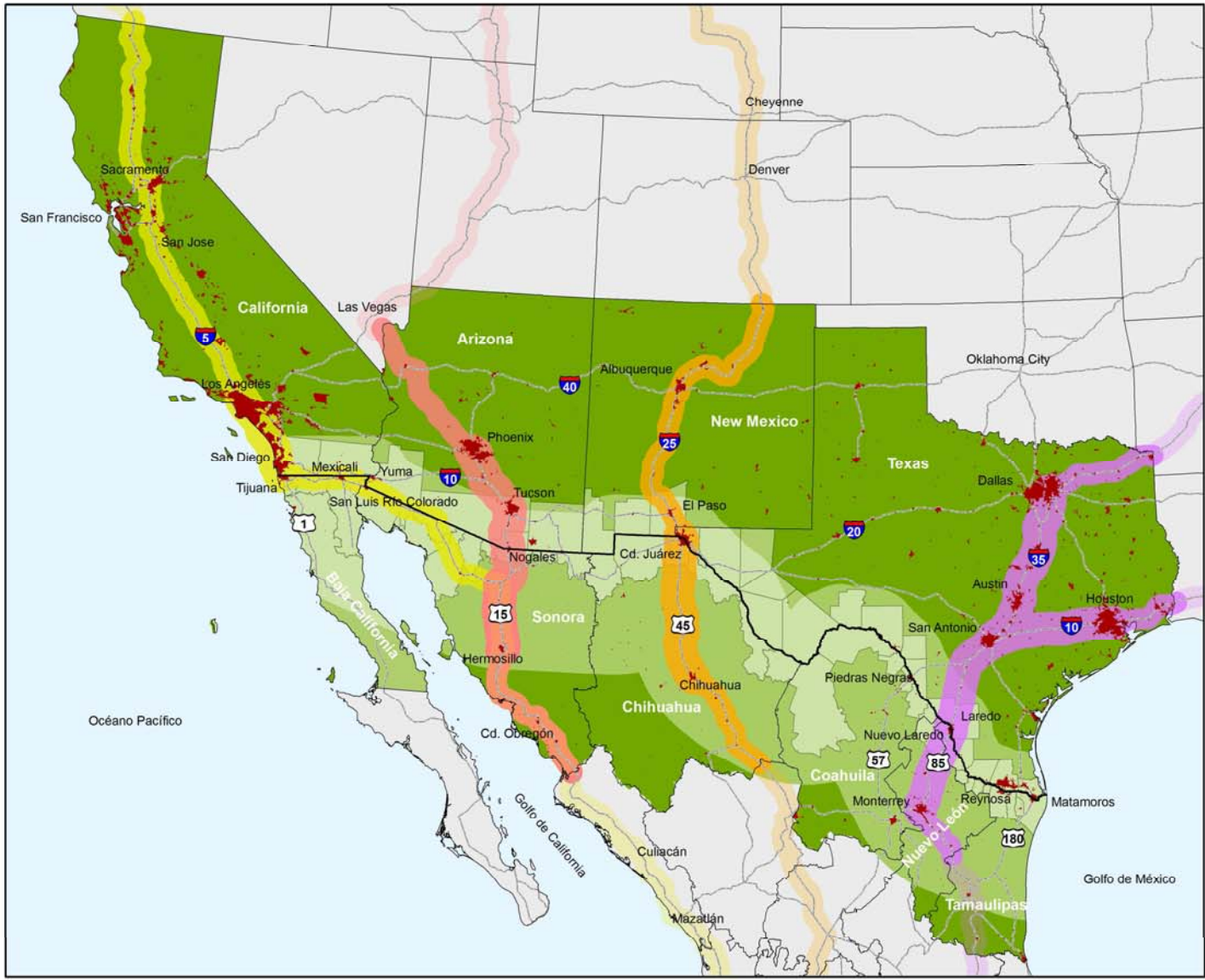




- Áreas metropolitanas
- Franja Fronteriza
- Zona Fronteriza (COCEF/BDAN)
- Región Transfronteriza
- Limite Internacional
- Carreteras
  
- Corredores Transfronterizos**
- Camino Real
- Canamex
- NASCO
- Pacífico



COLEF-USEG







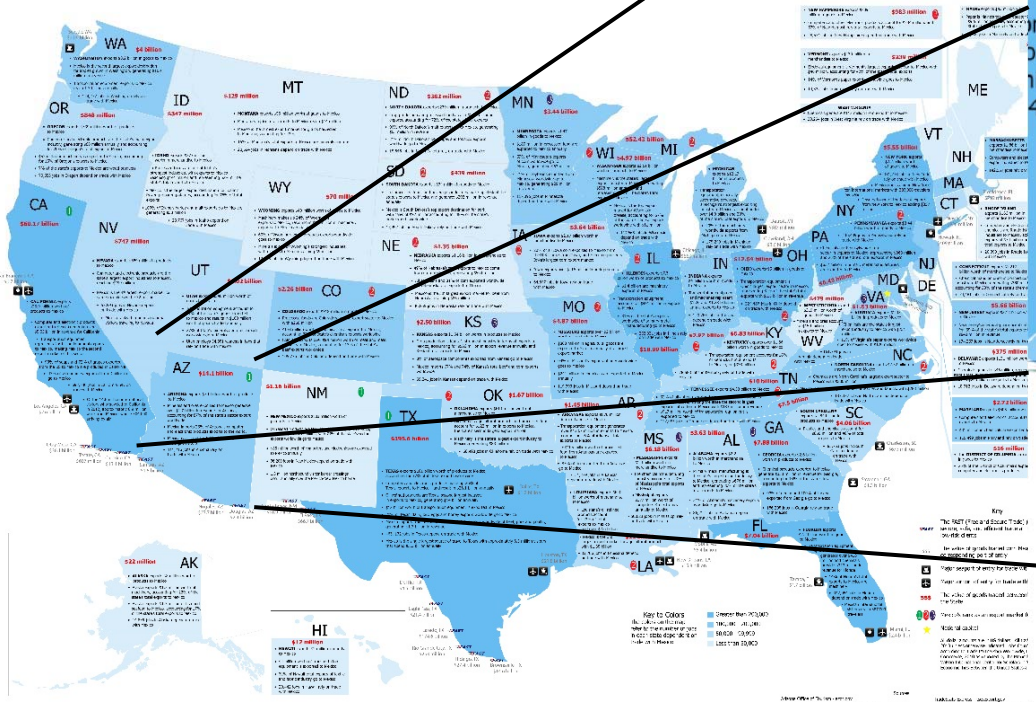
# Historic Ties: Arizona and Mexico

## Mexico is Arizona's main trade partner

- With about 20 million northbound visitor border crossings annually over the Mexico – Arizona border, this zone stands as one of the most active borders in the world.
- Mexican visitors spend approximately **\$7.3 million each day** in Arizona, providing an annual impact of **\$ 2.3 billion**.
- Trade between Mexico and Arizona exceeds trade between Mexico and Central America
- More than **100 thousand jobs** are directly related with trade with Mexico.



**6 million US jobs depend on trade with Mexico**



**AZ** **\$14.1 billion** **1**

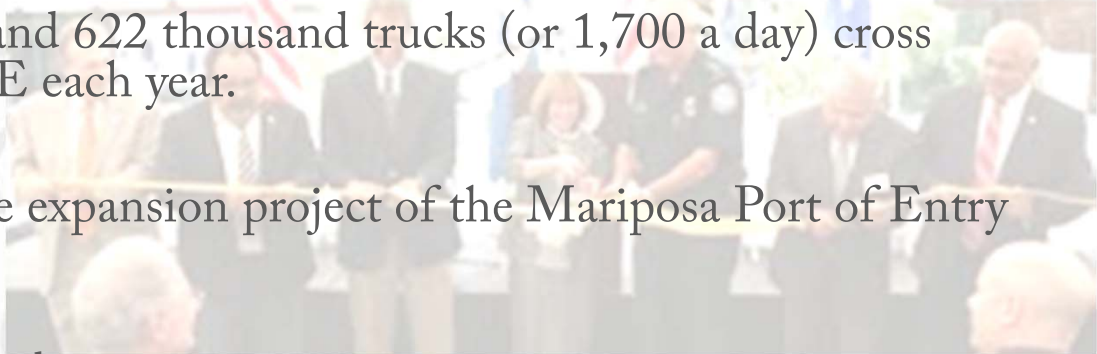
- **ARIZONA** exports \$7.1 billion worth of products to Mexico
- Minerals and ores exported to Mexico generate over \$1.7 billion in revenue for Arizona, accounting for 87% of the state's sector export worldwide
- Mexico imports 23% of Arizona's computer and electronic products exports to the world.
- Mexicans account for 68% of 5 million overnight visitors
- 111,216 jobs in Arizona rely on trade with Mexico

**FAST**  
**San Luis, AZ**  
**\$1.5 billion**

**FAST**  
**Nogales, AZ**  
**\$27.7 billion**

**FAST**  
**Douglas, AZ**  
**\$2.4 billion**

# Mariposa Port of Entry

- Over 5.2 million vehicles and 622 thousand trucks (or 1,700 a day) cross through the Mariposa POE each year.
- On October 15<sup>th</sup>, 2014, the expansion project of the Mariposa Port of Entry officially opened.A group of officials in suits and uniforms are gathered around a table, participating in a ribbon-cutting ceremony. Several flags, including the Mexican and American flags, are visible in the background.
- The expansion includes:
  - Commercial booths: from 4 to 8
  - Non-commercial primary inspection booths: from 4 to 12
  - 5 new southbound booths and 2 processing facilities
- The expansion provides *Customs and Border Protection Authorities* the capacity to process 4,000 vehicles each day.
- The Mexican Government is committed to this project and continues to improve the Fiscal Corridor and Highway 15, which will allow a better flow of commercial and light vehicle traffic.



# A land of opportunity – Infrastructure in Mexico's Northern Border



- At the beginning of his administration, President Enrique Peña Nieto established his 2013-2018 Transportation and Communications Infrastructure Investment Program.
  - A multi-billion dollar program that seeks to improve roads, railways, ports, airports and telecommunication networks.
  - The program designed to turn Mexico into a major global logistics hub with high added value.



- The Transport and Communications Infrastructure Investment Program 2013-2018 has five lines of action designed to modernize, expand and maintain communications infrastructure as well as that of the different modes of transport:
  - In terms of **road infrastructure**, the government plans to have a safe, complete backbone in good condition that will provide better links between all regions and bring remote communities closer together.
  - As for **railways**, the aim is to restore passenger rail transport and encourage greater use of freight trains. It is essential to reduce travel costs and times through the construction of bypasses and urban infrastructure, which will help improve the speed of this means of transport.
  - As regards **ports**, the goal is to have four world-class ports and strengthen the capacity of the port system to support the country's various economic sectors, as well as encourage the development of the merchant and coastal navy.
  - With respect to **airports**, the goal is to achieve better service, costs and frequency of air transport, relieve the congestion of Mexico City International Airport and promote regional interconnections.
  - In the **telecommunications sector**, the aim is to achieve universal access by expanding network coverage, fostering competition and ensuring that the Constitutional Reform of this area is implemented in a timely, effective manner.

- In April 2014, in the terms set out in the National Development Plan, President Peña Nieto announced the National Infrastructure Program 2014 – 2018 which included six strategic sectors:

### COMMUNICATIONS AND TRANSPORT

- Investments of over 1.32 billion pesos.
- Objective: Have a modern infrastructure and logistics platform to foster greater competitiveness, productivity and economic and social development.

### ENERGY

- Investments of nearly 3.9 billion pesos.
- Objective: Build the necessary infrastructure to have sufficient, quality energy at competitive prices.

### HYDRAULIC INFRASTRUCTURE

- Planned investment exceeds 415 billion pesos.
- Objective: Increase water infrastructure to ensure water for both human consumption and agricultural irrigation, and sanitation and flood protection.

## HEALTH

Investments totaling 72.8 billion pesos.

Objective: Help strengthen and optimize interagency health infrastructure to ensure effective access to quality health services.

## URBAN DEVELOPMENT AND HOUSING

Investments of over 1.8 billion pesos.

Objective: Promote urban development and the construction of quality housing, equipped with basic infrastructure and services, with orderly land access.

## TOURISM

Investments totaling over 180 billion pesos.

Objective: Develop competitive infrastructure to boost tourism as a strategic axis of regional productivity and a trigger of social welfare.

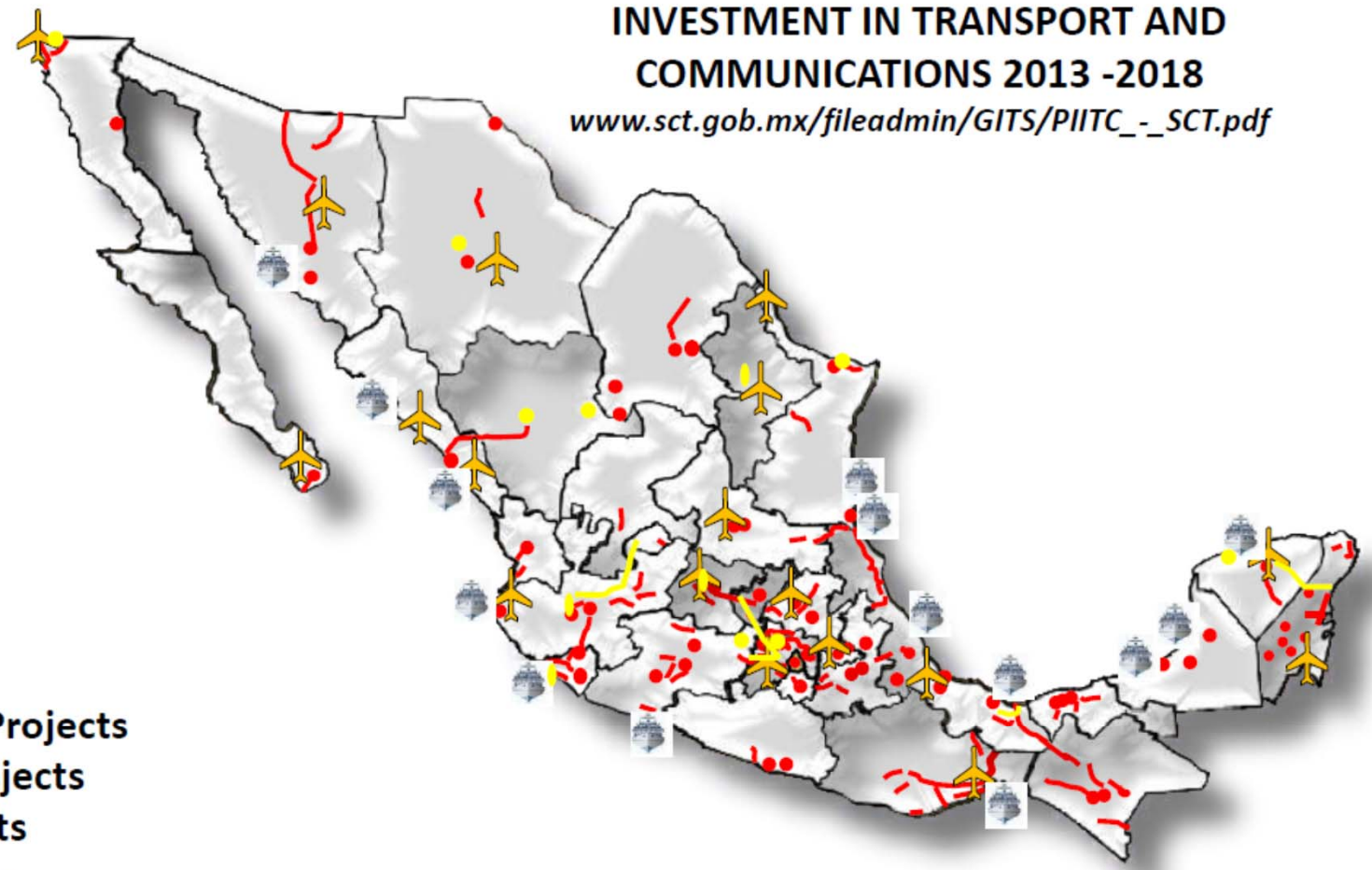


# Moving Forward— Transportation Projects

# Overview of Projects

## PROGRAM PROJECTS INFRASTRUCTURE INVESTMENT IN TRANSPORT AND COMMUNICATIONS 2013 -2018

[www.sct.gob.mx/fileadmin/GITS/PIITC\\_-\\_SCT.pdf](http://www.sct.gob.mx/fileadmin/GITS/PIITC_-_SCT.pdf)

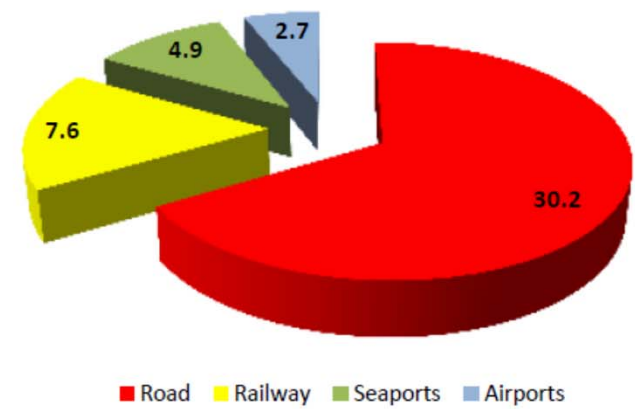


-  Roadway Projects
-  Airport Projects
-  Port Projects
-  Rail Projects





**Structure of Investment in Transport Infrastructure**  
581.8 Thousands Millions Pesos = 45.3 Thousands Millions Dollars



**Investment**  
Thousands Millions Dollars

	Projects	Length (Km)	Amount (TMD)
Road	149	5,410	30.2
Railway and Mass Transport	19	956	7.62
Seaports	21	N/A	4.85
Airports	21	N/A	2.72
<b>Total</b>	<b>210</b>	<b>6,366</b>	<b>45.39</b>





# Major Roadway Projects

**Investments**  
 386.3 Thousands Millions Pesos = 30.0 Thousands Millions Dollars

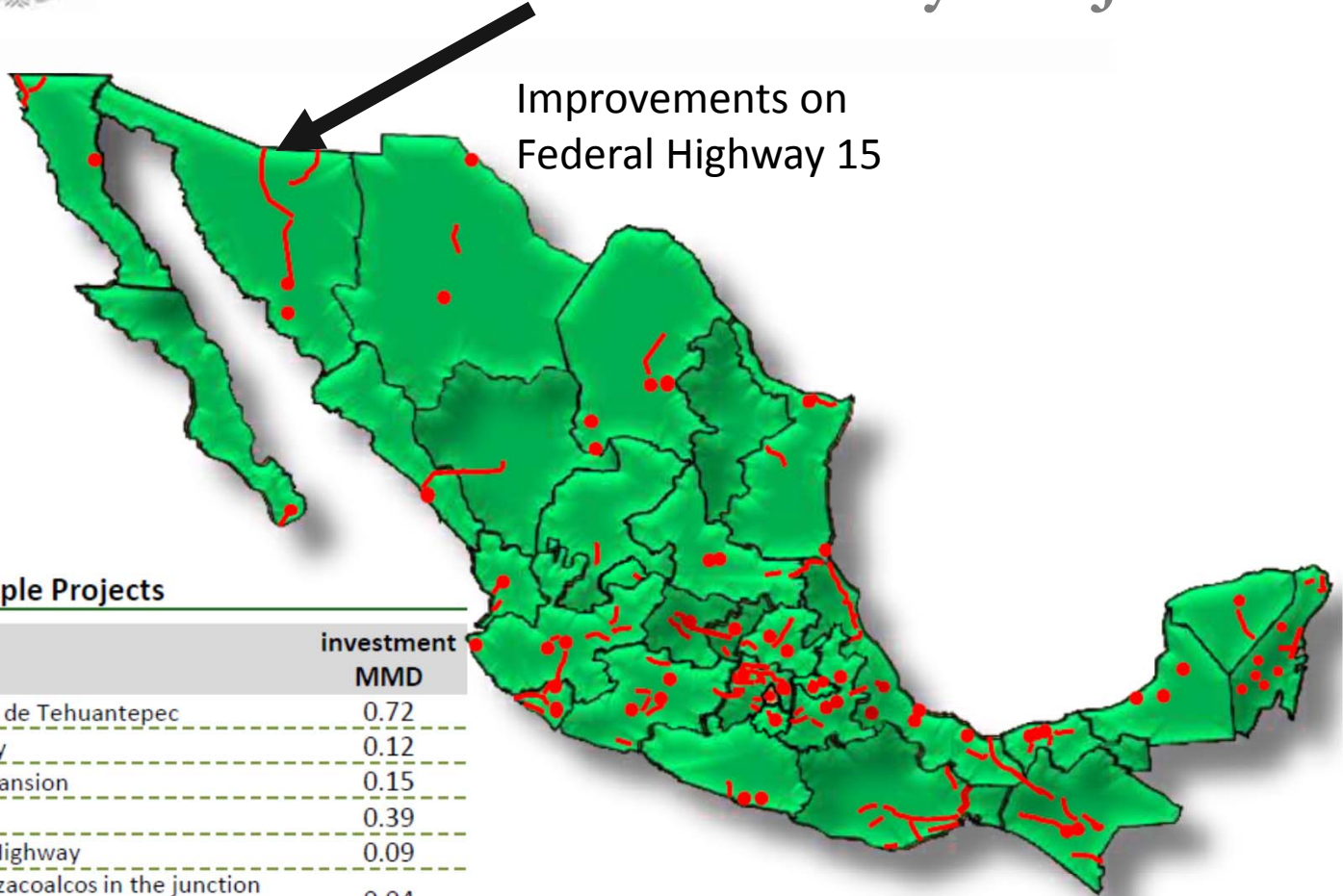
## Summary

Projects	Amount	km	TMD
Highways	34	1,792	7.87
Road	49	2,734	3.54
Bypasses	33	884	3.91
Intersections and Bridges	22	N/A	0.89
Engagements of rural roads and feeders	9	655	0.32
Road maintenance program	1	40,710	8.00
Rural roads program	1	12,600	5.45
<b>Road Infrastructure</b>	<b>149</b>	<b>5,410</b>	<b>30.01</b>





# Roadway Projects



## Example Projects

Projects	investment MMD
Conclude the road Oaxaca – Istmo de Tehuantepec	0.72
Infraestructure Tulum and Solidarity	0.12
Toluca - Atlacomulco Highway Expansion	0.15
Palmillas – Apaseo Highway	0.39
Nuevo X-Can - Playa del Carmen Highway	0.09
Expand to 4 lanes accesses ofCoatzacoalcos in the junction Allende-junction Nuevo Teapa	0.04
Cabo San Lucas - San José del Cabo road	0.15
Construction of the first stage of Peripheral Orizaba y Córdoba	0.46
Construction of the first section of the Metropolitan Ring Road in Mérida City	0.07

## 117 Seaports and Port Terminals

16 Integral Port Administration (API's) in charge of the SCT



## Investment

62.4 Thousands Millions Pesos = 4.8 Thousands Millions Dollars

## Summary

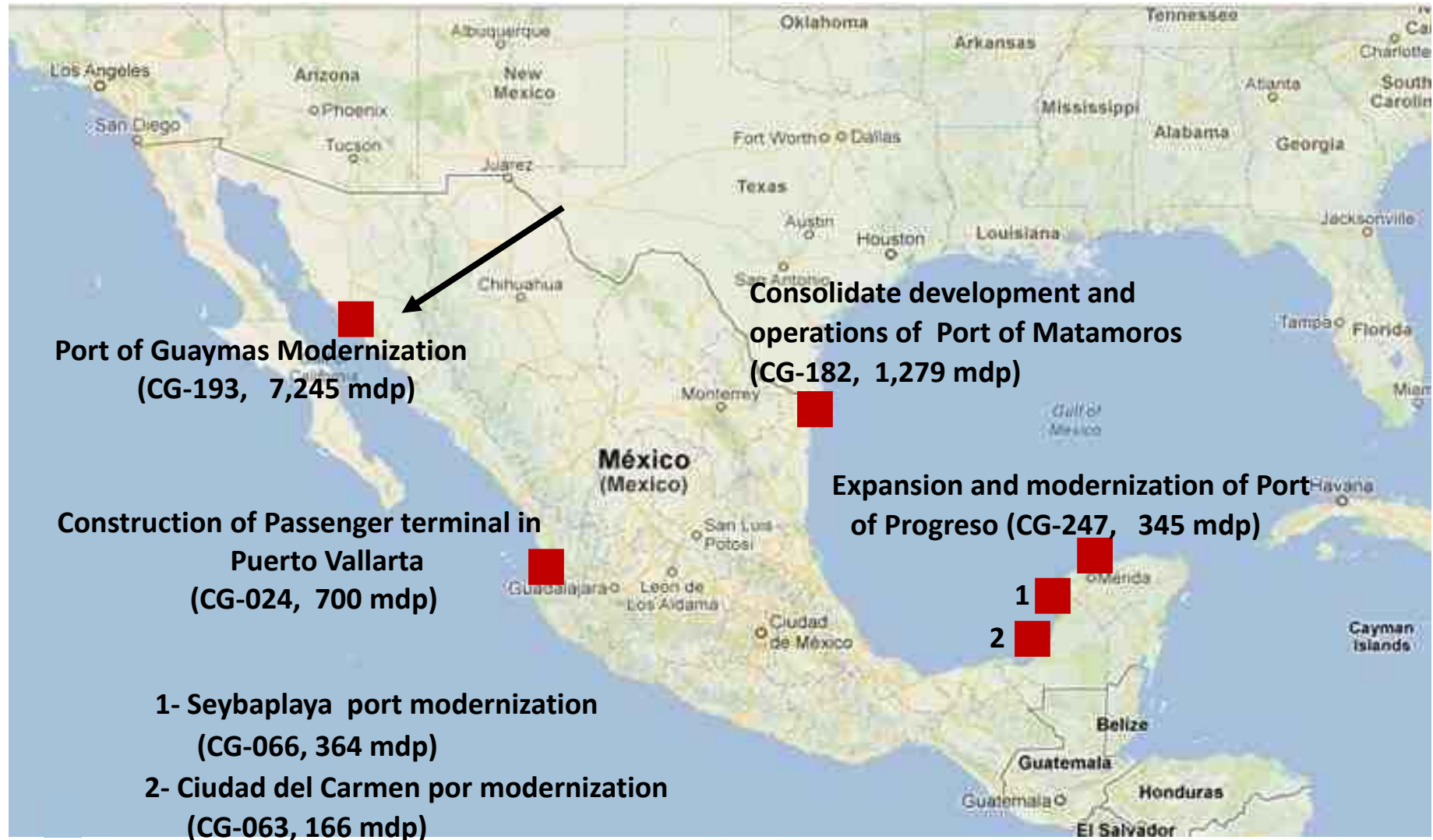
Projects	Amount	TMD
New seaports	3	2.31
Seaports Expansions	5	1.16
Specialized maritime terminals	12	1.36
Rediced rates ferry	1	N/A
<b>Seaports</b>	<b>21</b>	<b>4.84</b>







# Ports projects



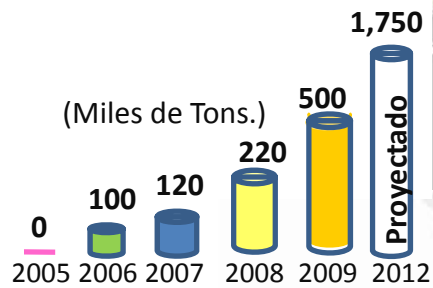
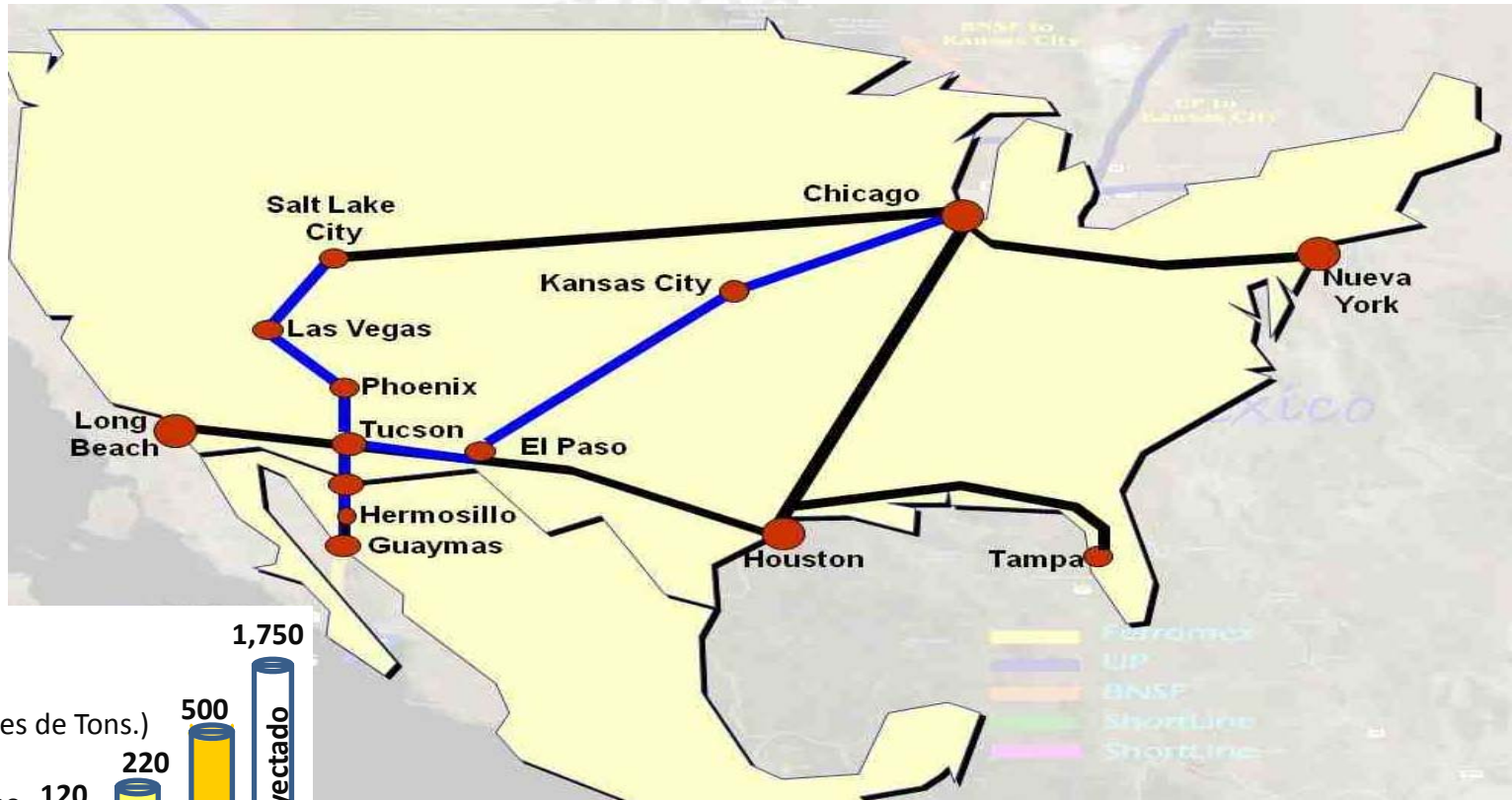


- The expansion Project of the Port of Guaymas seeks to strengthen its competitiveness in the region as Mexico's international trade grows.
- It has direct access to Mexico's highway and rail system that connect the Port to Mexico's main trade partner: the U.S





# Tucson plays an important role as a logistics hub



- The expansion is divided in three phases:
  - 1st phase: Dredging of a navigation area of 5 million cubic meters in order to obtain a 16 meter depth.
  - 2nd phase: Expected to conclude in 2017.
    - Dredging of a navigation área covering 6 million cubic meters
    - Construction of a turning basin (500 mts in diameter)
    - Filling of 168 hectares in order to build 9 specialized terminals for the reception and shipping of bulk mineral
  - 3rd phase 2017-2018
    - Expansion of the navigational access canal
    - Construction of a new turning basin (600 mts in diameter)
    - Expansion of the turning basin built in the 2nd phase to 600 mts in diameter
- **Total projected investment: \$8.3 billion dollars**



SRE

CONSULADO DE MÉXICO  
EN TUCSON





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